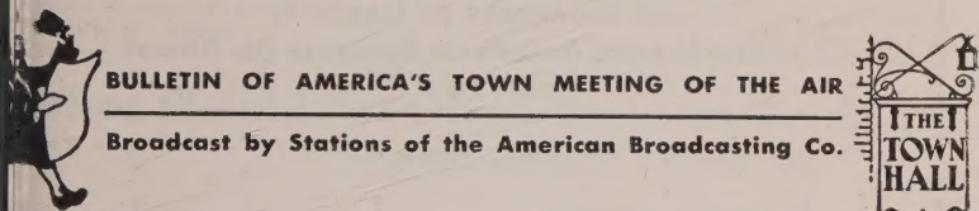


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MARCH 1950



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What Should American Business Do About Point Four?

Moderator, **GEORGE V. DENNY, Jr.**

Speakers

JOHN W. SNYDER

SPRUILLE BRADEN

(See also page 12)

COMING

March 14, 1950

**How Can Organized Religion Advance
American Democracy?**

March 21, 1950

**What Should We Do About Federal Aid to
Education?**

Published by THE TOWN HALL, Inc., New York 18, N. Y.

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CONTENTS



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THE BROADCAST OF MARCH 7: "What Should American Business Do About Point Four?"

Mr. DENNY	3
Secretary SNYDER	4
Mr. BRADEN	6
QUESTIONS, PLEASE!	10
THE SPEAKERS' COLUMN	12



THE BROADCAST OF MARCH 14: "How Can Organized Religion Advance American Democracy?"



THE BROADCAST OF MARCH 21: "What Should We Do About Federal Aid to Education?"



The Broadcast of March 7, 1950, originated at the Dinner Forum of the Mexico Pilgrims at the Ritz-Carlton Hotel in New York City, from 9:00 to 9:30 p.m., EST, over the American Broadcasting Company Network.

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Town Meeting

BULLETIN OF AMERICA'S TOWN MEETING OF THE AIR

GEORGE V. DENNY, JR., MODERATOR



MARCH 7, 1950

VOL. 15, No. 45

What Should American Business Do About Point Four?

Announcer:

Tonight, your Town Meeting is the guest of the Mexico Pilgrims and the Mexico Pilgrims Foundation in the Grand Ballroom of the Ritz-Carlton Hotel in New York City. Attending this dinner forum to hear the Secretary of the Treasury, the Honorable John W. Snyder, and the former Assistant Secretary of State, the Honorable Spruille Braden, is a representative audience of distinguished business leaders who are particularly interested in tonight's subject, "What Should American Business Do About Point Four?"

The Mexico Pilgrims Foundation was established to render financial assistance to American-sponsored schools, hospitals, and other benevolences in Mexico and the other Americas. The Mexico Pilgrims is an organization of Americans and Britishers who have lived, traveled, or had interests in Mexico, and are devoted to the furtherance of economic and trade prosperity in the southern republics. Town Hall is happy to make this important discussion available to its listeners across the Nation and through the "Voice of America" around the world.

Now to preside over our discussion, here is your Moderator, the President of Town Hall, and founder of America's Town Meeting, George V. Denny, Jr. Mr. Denny. (Applause)

Moderator Denny:

Good evening, neighbors. On the eve of our Town Meeting Round the World last June, when we were the guests of the International Rotary's 40th Annual Convention in Madison Square Garden, we discussed this subject in general terms.

Tonight, as the guests of the Mexico Pilgrims, we have asked Secretary Snyder and former Ambassador Braden and this dis-

tinguished audience to consider the question, "What Should American Business Do About Point Four?"

Point Four, as most of us know by now, is the fourth point in President Truman's inaugural address of January, 1949, in which he suggested that we must embark on a bold new program for making the benefits of our scientific advances and industrial program available for the improvement and growth of the underdeveloped areas.

On our trip to 12 world capitals, we found people eager to participate in this bold new program, but they didn't seem to know just what to do in order to participate. As this program will reach all of those countries and many others through the "Voice of America," we hope that Secretary Snyder and Mr. Braden will tell them just what government and business expect of these countries in order that they might benefit from this program.

We know from our own experience how this country was helped through the investment of foreign capital in its early days, and many countries to the south of us have already benefited by the investment of our capital there.

What can we do then, gentlemen, during this critical period to make the creative power of democratic capitalism work to the advantage of all concerned, particularly in the underdeveloped areas?

We'll hear first from the distinguished Secretary of the Treasury who was a successful banker in his home state of Missouri until he was called to the government service in Washington in 1949—the Honorable John W. Snyder, Secretary of the Treasury. Secretary Snyder. (Applause)

Secretary Snyder:

The Point Four program is a tangible expression of the United States foreign policy. That policy is based on mutual aid, respect and understanding among nations for common good. The purpose of the Point Four program is to expand production in the underdeveloped countries by increasing within them knowledge and use of modern means of production. Expanded production will not only improve living standards within these countries, but will increase international trading in goods which is essential for the growth of a healthy world economy.

Out of such trading also comes better relations and understanding between peoples. This is what we seek in our foreign relations. By contributing to that goal, the Point Four program will promote peace and freedom in the world.

Two lines of action are required: first, to make it possible for the underdeveloped countries to obtain much-needed technical assistance; second, to encourage the investment of private capital in those countries.

The technical assistance part of the program—and this is the most vital, initial part of the program—is intended to expand considerably the amount of technical training and advice available to economically underdeveloped countries. It is an effort to increase their internal development. For instance, in agriculture through knowledge and use of crop rotation, fertilizer, and control of plant diseases, and in mining through knowledge and use of modern exploration techniques.

The underdeveloped countries also need outside capital investment for plant construction and for the purchase abroad of necessary mechanical equipment and other essential supplies.

As their production expands, these countries will gradually be able to create a greater volume of capital from their own resources. This was the experience of our own country. The people of the United States believe in the private-enterprise system, and look to private investors to take over the major responsibilities of the capital investment phase of the Point Four program.

Private capital, if it is to be attracted, must be assured in advance, primarily by the foreign countries involved, that it will be secure from confiscation and that reasonable earnings can be transferred into United States dollars.

Our Government is seeking these assurances through the negotiation of treaties dealing specifically with the subject of investments. The willingness of these countries to enter into such treaties will be evidence that they want outside capital and will give that private capital fair treatment.

Moreover, legislation before Congress would authorize guarantees for United States capital against the risk of confiscation and the possibility that earnings could not be converted into United States dollars. The guarantees, of course, would not cover the risk of ordinary business loss or failure.

Still other encouragement to foreign investment would be provided through certain recommended tax changes in the United States tax structure, such as making the income of foreign branches taxable only after it has been transferred to the United States.

The Point Four program has been carefully planned within the scope of available resources and the capacities of underdeveloped countries to advance. The President has emphasized

that the Point Four program must be a world-wide effort for the achievement of peace and freedom and prosperity. (Applause)

Moderator Denny:

Thank you, Secretary Snyder. Our next speaker was also a successful businessman with special interests in mining before he entered the government service as a diplomat. Mr. Spruille Braden has served as United States Ambassador through the Chaco Peace Conference to Colombia, to Cuba, and to Argentina. He was Assistant Secretary of State from 1945 to 1947, when he retired from public service to become a business consultant. We will welcome your counsel here tonight, Mr. Spruille Braden. Mr. Braden. (Applause)

Mr. Braden:

Mr. Denny, Mr. Secretary, ladies and gentlemen. I agree with Secretary Snyder's statement that under Point Four foreign investment for desirable purposes should be undertaken through private channels, insofar as possible. In other words, my answer to the question before us tonight is that American business should do precisely what it has been doing for more than half a century. (Applause)

American business has employed our private capital, scientific advances, and industrial progress to improve underdeveloped areas all over the world. It has hugely benefited peoples everywhere by helping them to produce more, and, substantially, to raise their living standards. Billions of dollars have thus flowed to other nations.

For example: We could not have won the war without the copper developed and produced in Chile due to the foresight, talent, and capital of the Anaconda and Kennecott companies.

The American and Foreign Power Company in 11 Republics of this hemisphere has invested—less liberal write-offs—about three-quarters of a billion dollars in the most modern power plants.

To convert useless jungle swamps into productive lands, the United Fruit Company, in a single small country, moved more dirt than in the entire digging of the Panama Canal.

In the great city of Rio de Janeiro, highways and countless other projects were practically built with cement from Lone Star's five Latin-American plants.

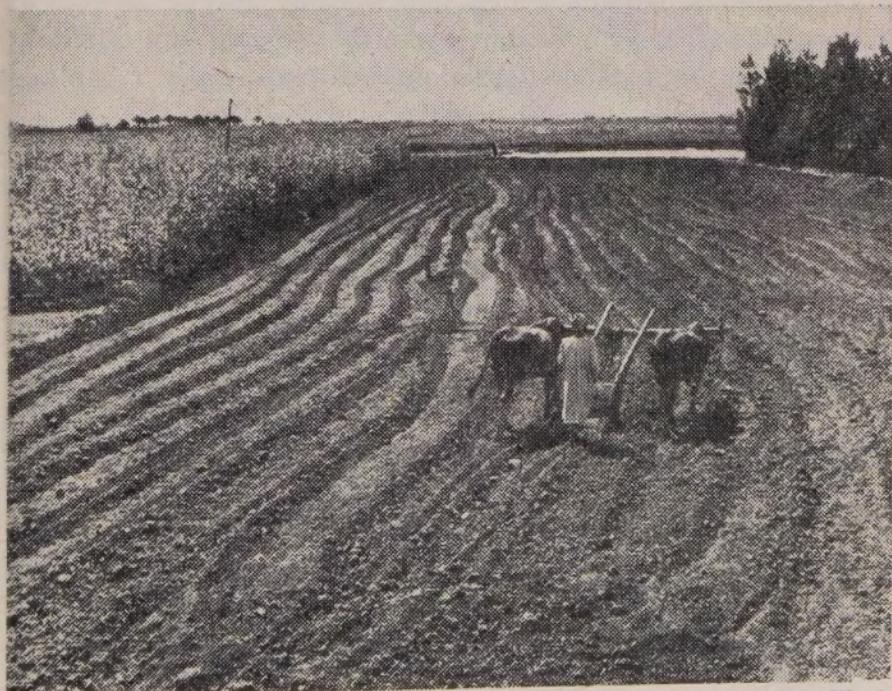
If given fair treatment, American business can and will surpass even this superlative record. Governments are incapable of doing so, because officialdom—still less the United Nations—

except in a few fields such as health and education, does not possess the scientific and industrial knowledge, experience, and techniques to implement Point Four. This is a job for private enterprise. (Applause)

The President has declared that the major effort in Point Four must be made by the people of the underdeveloped areas themselves. Secretary Acheson says United States assistance can only be effective when it is the one missing component in a situation otherwise favorable to economic and political progress. Such favorable situations have been measurably destroyed during the last two decades by the deterioration in governmental morality, such as direct and indirect expropriations, broken agreements, and official abuse of and intervention in businesses almost everywhere.

In order to reestablish climates which will attract private initiative, techniques, and capital, those nations which want to participate in Point Four should learn and adjust themselves to the economic facts of life.

For its part, the United States Government, by just and forthright diplomatic action, must at all times support and protect legitimate American business abroad. The negotiation of bilateral treaties will not suffice unless there also be good faith and dedica-



— Wide World

With antiquated methods of plowing, it is little wonder that production in the Near East is low.

tion to the dynamic principles of private opportunity and enterprise.

The proposal for the United States Government's export-import bank to guarantee American businesses in foreign lands against losses resulting from either currency nonconvertibility or expropriations, Mr. Secretary, will not work and is unsound. It is unsound because such guarantees should be given by the country receiving the investment, and not by the one making it. (Applause)

They would not apply in many cases. They would unfairly discriminate against earlier enterprises, weaken the disposition abroad to create favorable climates, increase state interventions, and add another subsidy to those which already plague us.

These guarantees could be squandered or filched by some fly-by-night or crooked adventurers, and involve our Government in bad deals all over the earth. They will not really help the people we want to assist, but only those persons who get some cheap insurance, while the U. S. taxpayers foot the bill. (Applause)

Ladies and gentlemen, I submit that for Point Four to succeed it must be consummated under the system of free, private, competitive enterprise, unhampered by governmental obstructions. The tremendous benefits which will thereby accrue to everyone may convince other peoples that under democratic capitalism they too, can enjoy unparalleled freedom and prosperity. (Applause)

Moderator Denny:

Thank you, Mr. Spruille Braden. Now, before we take the questions from our audience, I'm going to ask Secretary Snyder if he has a comment to make on what Mr. Braden has said, ending with a question. Secretary Snyder.

Secretary Snyder:

I have enjoyed hearing what Mr. Braden had to say. It kind of reminds me of back down home in Arkansas. We went to church on Sunday and we all went home and said, "Boy, didn't he give it to 'em." (Laughter)

Of course, we liked what he said, but are we just going to stand here and just like it, or are we going to do something about it folks?

Now look, we didn't say anything about all this foolishness that he was talking about, like these fly-by-night folks. We talked about trying to help you folks find a fair way of getting along with bilateral agreements in foreign countries. We think that you

need a little help. If you don't need it, God help you, because I'm delighted.

I believe in private enterprise as much as any man, woman, or child sitting in this audience, but I think we've got a challenge ahead of us to develop some important expansion for our products, which we are not getting, because we are selling between 15 and 17 billions of dollars abroad, and only importing 6 billions.

You can't do that, folks, according to my way of bookkeeping. You've got to sell as much as you buy in order to create a balance-of-payment scheme. We've got to encourage it. We've got to help you folks get out. I loved your applause, because it's kind of nice if you can keep on selling everything and buy nothing. But we've got to get out there and balance this thing up, if we are going to make this country work and keep our balance-of-payment scheme on an economic basis.

I always love to hear these things, but I want to make them practical, you know. (Applause)

Moderator Denny:

Thank you, Mr. Secretary. Now, while we get ready for our question period, here's a message for our Town Hall listeners.

Announcer:

From the annual dinner-forum of the Mexico Pilgrims Foundation at the Ritz-Carlton Hotel in New York, America's Town Meeting is presenting a discussion on "What Can American Business Do About Point Four?" Our speakers are the Secretary of the Treasury, John W. Snyder, and Spruille Braden.

You may obtain a copy of tonight's program and the next ten issues of the TOWN MEETING BULLETIN by sending one dollar to Town Hall, New York 18, New York. You can have a permanent record of all these broadcasts by subscribing to the BULLETIN, eleven weeks for one dollar, \$4.50 for the year.

Listeners who are active in discussion groups and local organizations find the TOWN MEETING BULLETIN extremely valuable for study and reference on important issues. A copy of tonight's program may be obtained for ten cents.

Tonight, our congratulations go to Station WHBC in Canton, Ohio, celebrating its 25th anniversary on the air. Continued success to WHBC in its great record of service to Canton, its state, and Nation. Now for our question period we return you to Mr. Denny.

QUESTIONS, PLEASE!

Mr. Denny: Now we are ready with the questions. We'll start with this gentleman right here.

Man: I wanted to ask Mr. Braden whether he doesn't think that the British peanut fiasco gives an indication of what a typical Point Four loan would be like.

Mr. Braden: I entirely agree with you. I think that you can go back and also take in the UNRRA spending, not only in Latin-America and Europe, but in Asia. You can go to a whole series of governmental expenditures which have cost the taxpayer an infinite amount of money. If you turn it over to the United Nations or to Government to do, it is going to be a complete flop at our expense. *(Applause)*

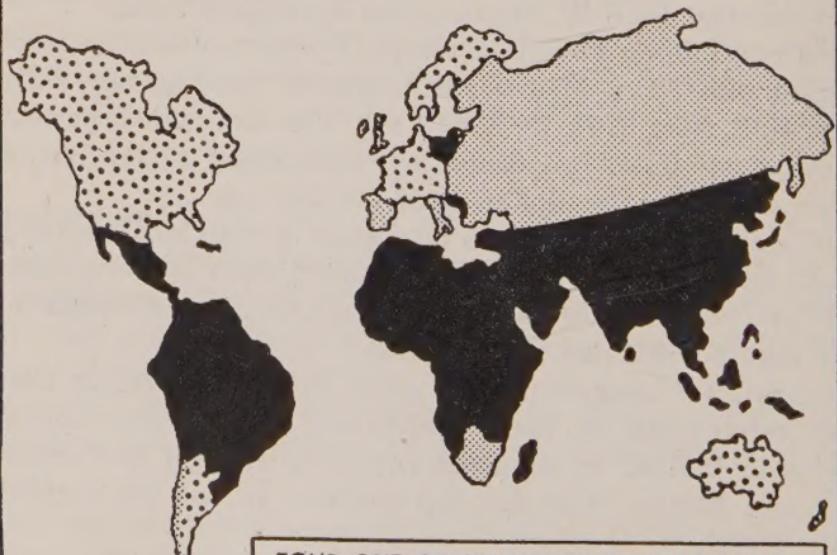
Man: Mr. Secretary, my question is: What can Latin-American countries expect or hope for from Point Four programs?

Mr. Denny: That's going to take more than a minute. *(Laughter)*



Underdeveloped Areas	—Population	1,565 million
Transitional Areas	—Population	389 million
Developed Areas	—Population	384 million

THE THREE AREAS



Mr. Snyder: It's certainly going to take more than a minute, because I could talk a long time about that. Whatever Latin-America decides that they want to do lies within their abilities. Would you have asked that same question at the time immediately following the Civil War here? What could the United States do to develop its own resources and become the great economic factor that it is today?

I want to say in answer to Mr. Braden's reply to the last question, of course, there is always the negative point of view, but it's through the trial-and-error system that we find a way to develop and expand and build up our economy.

That's what we want to inspire in the peoples of the under-developed areas of the world—to have the courage and the spirit to try and not give up simply because it failed once. (*Applause*)

Mr. Denny: Thank you, Mr. Secretary. Mr. Braden has a comment on that.

Mr. Braden: I would like to comment on that question. It is precisely by the trial-and-error system that we should be guided. In other words, I cited the examples of five companies and what they have done in Latin America. There are countless others. Billions of dollars under the private enterprise system before government interfered—and I am referring to the other governments with all of their obstructions—billions of dollars flowed to those countries in investments. Thereafter, each year, out of the total gross income of each of those companies, a major part was either left in or conveyed back to those countries. When I say major part, I am speaking of 80 per cent and upwards.

Beyond that, they establish the finest establishments in regard to health, to hospitals, to schools, and to the treatment of their labor. They took the workers in those countries, and they trained them to be expert mechanics and superintendents, and raised their living standards.

All that has been done in the most splendid fashion. Therefore, for God's sake, let us get back to what has been proved to be successful, and then we'll get somewhere on this new program. (*Applause*)

Man: I have a question for Secretary Snyder. In order to encourage imports, instead of Point Four gifts, why not encourage direct mail, noncompetitive imports from foreign countries, using gift currency funds, or mail solicitation of U. S. consumer and mail delivery thereafter?

Secretary Snyder: I didn't know about this gifts business. I thought the Point Four program was to inspire within the countries the desire to help themselves. I didn't know it was a gift

program. You have enlightened me, because I haven't understood it to be that.

On the other hand, I kind of like this mail-order business—a lot of our people have made a success out of it, here in this country—because, if you want to buy something out of a catalogue, you've got to get out and get the money to pay for it. If you can raise those dollars with your own energy, I'd be awfully happy to have that mail-order business go throughout the country. (Applause)

THE SPEAKERS' COLUMN

JOHN WESLEY SNYDER—A native of Arkansas, the Honorable John W. Snyder has been Secretary of the Treasury since June, 1946. A former student at Vanderbilt University, Mr. Snyder engaged in the banking business in Arkansas and Missouri from 1919 until 1930. From 1930 until 1936, he was national bank receiver in the Office of the Comptroller of Currency in Washington, D. C.

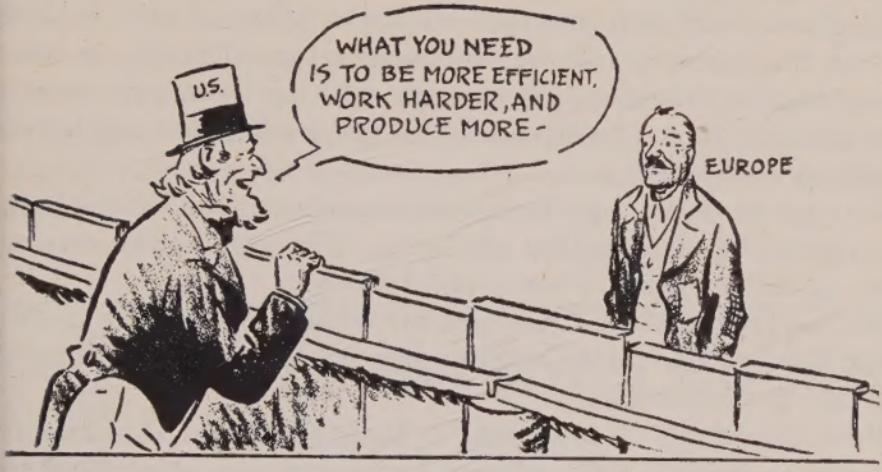
From 1937 until 1943, Mr. Snyder was manager of the St. Louis Loan Agency of RFC. After 1940, he was executive vice president and director of the Defense Plant Corporation in Washington. After serving as an assistant to the directors of RFC for five years, he was appointed federal loan administrator in April, 1945. He soon resigned from this position and was appointed director for the Office of War Mobilization and Reconversion in July of the same year. About a year later, he was named to his present position in the President's Cabinet.

SPRUILLE BRADEN—A career diplomat for many years, Mr. Braden has served as United States Ambassador to Colombia, Cuba, and Argentina. Born in Elkhorn, Montana, he has a Ph.B. in Mining Engineering from the Sheffield Scientific School of Yale. He also has honorary degrees from the University of Buenos Aires, Johns Hopkins University, Clark University, and Albright College.

He entered the mining field in 1912, but engaged in engineering from 1914 to 1919. In 1920, he negotiated the financing of and obtained the contracts for the electrification of the Chile State Railways for the Westinghouse Electric and Manufacturing Co. He organized Cohoe Processes, Inc., and reorganized the Englishtown Carpet Co. (later renamed Monmouth Rug Mills, Inc.).

He was active in the Rehabilitation Corporation in 1932. During the next few years, he was delegate and representative from the United States to various Pan-American conferences. He represented President Roosevelt as arbitrator in the settlement of war between Bolivia and Paraguay in 1939.

Named U. S. Ambassador to Colombia in 1939, he served until 1942 when he was appointed to a similar post for Cuba. From May until October, 1945, he was Ambassador to Argentina. Then he became Assistant Secretary of State for American Republic Affairs, from which position he resigned in 1947.



—Christian Science Monitor

Mr. Denny: Thank you. I see a gentleman over here who has written a book called *The Bold New Program*—Mr. Willard Espy *The Reader's Digest*. Mr. Espy.

Mr. Espy: Mr. Braden, is the average underdeveloped area at present able to make effective use of large capital investments?

Mr. Braden: I think the best reference—the most recent one at my rate—is Mr. Clapp's report on the Near East, which said that none of the huge programs that they had in view can possibly be put into effect today, and that certainly is true somewhere.

Mr. Denny: Thank you. Next question.

Man: Mr. Secretary. To promote foreign trade, why doesn't the treasury continue to apply the rule that the place of sale is the country where goods are marketed?

Mr. Secretary: I don't think I understood the question.

Man: For 17 years, the Treasury Department provided in its regulations—and still provides—that the place of sale in determining the source of income—for income tax purposes—is where the goods are marketed. Two years ago, the Treasury reversed that position. It is a handicap to foreign trade. That change is a handicap to exporters.

It's true we want imports, but the exporters—the little fellow—can export better over the old rules. Why don't they continue what is still in the Treasury regulations?

Mr. Secretary: Well, I just wonder what our objective is going to be. You can't do on the right and on the left so that both people will like it completely.

Now, of course, we are going to have problems. Our exporter is going to want to sell, as I said a moment ago, everything that he can sell. We certainly want to encourage that. That comes from salesmanship and the ability to offer the foreign markets a better object at a better price and in a better way than anyone else can.

But if we want those dollars to flow into the United States we've got, in turn, to buy some of the external products to build up those dollar balances to pay for them, or else you taxpayers have got to be willing to put up the money for the difference.

Mr. Denny: Thank you. Here in our audience this evening is the former Foreign Minister of Mexico, Dr. Ezequiel Padilla, who has a question.

Dr. Padilla: Mr. Braden, don't you think that the economic problems of Latin-American countries should be treated as a problem of economic continental unity instead of problems of 21 separated compartments? I would like to say that the example of Europe is very eloquent. All the statesmen of Western Europe are advising us to consider Western Europe as an economic unity. What is true for Europe is true for America, too. (Applause)

Mr. Braden: I give way, Dr. Padilla, to no one in my holding for the unity of this hemisphere. On the other hand, I think that when it comes to economics, you've got to take each area and each country and each district, sometimes, within a country separately, and then put the whole together. But, if you say "let's first of all, think of the United States, then let's think of the hemisphere and, after that, of the rest of the world," then I'm with you. (Applause)

Mr. Denny: Thank you, Mr. Braden and Secretary Snyder. Now, in just a moment I'll tell you about our subject and speaker for next week.

Announcer: Tonight, Town Meeting is happy to welcome to the

Town Hall family of local sponsors the Amalgamated Clothing Workers Union, which began this week to sponsor Town Meeting on Station WJZ here in New York.

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VOLUME 15

- 8 Does the Arab World Need a Marshall Plan?
- 9 How Can We Advance Democracy in Asia?
- 10 What Are Democracy's Best Answers to Communism?
- 11 Is a Pacific Union Practical and Possible Now?
- 12 How Can Japan Become a Self-Supporting Nation?
- 13 Should Hawaii Be Admitted to Statehood Now?
- 14 Should Labor Be Subject to Antitrust Laws?
- 15 How Can America Contribute to a Free World? A Report to the People.
- 16 What Should the Free World Do About the Atomic Bomb?
- 17 Are We Depending Too Much on Government for General Welfare?
- 18 Should the Communist Party Be Outlawed Now?
- 19 What Should Be the Liberals' Program Now?
- 20 Do Our Churches Offer a Sound Basis for Faith and Living?

- 31 Is Profit-Sharing the Answer to Labor-Management Disputes?
- 32 Should We Recognize the Chinese Communist Government?
- 33 Is Our Policy Toward Western Germany Sound?
- 34 Does a \$100-a-Month Pension for all Retired Persons Provide Real Security?
- 35 Can Youth Have Faith in the Future?
- 36 Television 1950—Is It Good or Bad?
- 37 Should the Senate Remove Restrictions on Margarine Now?
- 38 Is the Kremlin's Aim the Conquest of the United States?
- 39 What Is the Difference Between Socialism and Social Welfare?
- 40 Should President Truman's Civil Rights Program Be Adopted?
- 41 How Can We Be Successful Parents?
- 42 How Can We Secure Peace in a Hydrogen-Bomb World?
- 43 Do Our Movies Abroad Speak for America?
- 44 How Will the British Elections Affect the United States?



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Local sponsors throughout the Nation have found that it pays to sponsor Town Meeting. Ask your local ABC station manager about details first thing tomorrow. Now to tell you about next week's program, here is Mr. Denny.

Mr. Denny: Next week, your Town Meeting begins its annual spring tour. First, in Cincinnati, Ohio where next Tuesday, from the Hebrew Union College, we'll discuss the question, "How Can Organized Religion Best Advance American Democracy?"

Our speakers will be the Honorable Charles P. Taft, former president of Federal Council of Churches of Christ in America; Dr. Nelson Glueck, president of Hebrew Union College; and Dr. George N. Shuster, president of Hunter College of New York City.

The following week, March 21, from Bloomington, Illinois, we'll probe the problem, "What Should We Do About Federal Aid to Education?" Our speakers will be Senator Scott W. Lucas, Democrat of Illinois and Floor Leader in the Senate; and Dr. Lawrence M. Gould, president of Carleton College.

So plan to be with us next week and every week at the sound of the Crier's bell.